



**Iowa Finance Authority State Housing Trust Fund
2008 Allocation Plan for the Local Housing Trust Fund Program**

SECTION 1. INTRODUCTION, PURPOSE AND DEFINITIONS

1.1 State Housing Trust Fund. In accordance with Iowa Code section 16.181 a housing trust fund (Fund) is held within the Iowa Finance Authority (IFA). The moneys in the Fund are to be used for the development and preservation of affordable housing for low-income people in the state. The two programs operated under the Fund are the Local Housing Trust Fund Program and the Project-Based Housing Program.

1.2 Adoption of a Trust Fund Allocation Plan. IFA has adopted this 2008 trust fund allocation plan (Plan) for the Local Housing Trust Fund Program. The purpose of the Plan is to set forth the criteria that IFA will use in making awards of moneys held in the Fund. IFA anticipates adopting a new Plan on an annual basis. A separate 2008 allocation plan will be adopted for the Project-Based Housing Program.

1.3 Documents Incorporated by Reference. Iowa Code section 16.181 is incorporated by reference in the Plan. The Plan will be deposited in the Iowa State Law Library. Statutory references are also available in the Iowa State Law Library.

1.4 State Housing Trust Fund Advisory Board. The IFA Board will appoint members to a State Housing Trust Fund Advisory Board, such board to be made up of representatives from the housing industry. This board will meet as necessary to advise IFA on the Plan.

1.5 Amount Available. Prior to the application deadline, the Authority will post on its Web site at www.IowaFinanceAuthority.gov the Available Moneys for such round.

1.5.1 Sixty percent of Available Moneys in the Fund shall be allocated to the Local Housing Trust Fund Program. An award from the Local Housing Trust Fund Program shall not exceed 10 percent of the balance of assets held in the program at the beginning of the applicable fiscal year plus 10 percent of any deposits made during the applicable fiscal year.

1.5.2 Forty percent of Available Moneys in the Fund shall be allocated to the Project-Based Housing Program.

1.5.3 Any Available Moneys remaining in the Local Housing Trust Fund Program on April 1 of each fiscal year which have not been awarded may be transferred to

the Project-Based Housing Program at any time prior to the end of such fiscal year.

1.5.4 Unencumbered and unobligated moneys remaining in the Fund at the close of each fiscal year shall remain available for expenditure for the same purposes in the succeeding fiscal year.

1.6 Definitions. The following terms shall have the meanings set forth herein unless context clearly requires a different meaning.

Available Moneys: The amount of money determined by IFA to be available for distribution from the Fund in the applicable funding round. IFA will annually calculate and announce the Available Moneys. Available Moneys will consist of the following: (1) interest earned on Fund assets during the prior fiscal year; (2) moneys appropriated to or deposited in the Fund, from any source, for use in a specific funding round; (3) moneys transferred by IFA to the Fund for a specific funding round; (4) awards returned during the prior fiscal year; and (5) other moneys held in the Fund, as determined by IFA.

Expend: Moneys awarded from the Fund in a prior year that have been spent, paid-out or specifically committed to be spent on the applicable project/activities. Any funds committed but not yet spent must have been identified and outlined in the Timeline and Draw Request Schedule contained in the Grant Agreement from a prior year's award.

Extremely Low-Income People: An individual or family with incomes, adjusted by family size, of not more than 30 percent of the greater of (1) the county or (2) statewide (as applicable) median income limit as published annually by the U.S. Housing and Urban Development.

Housing Assistance Plan (HAP): A comprehensive study of the housing needs/gaps of the geographic area the applicant serves or intends to serve.

LHTF: Local Housing Trust Fund

Local Match: Eligible local match may include, but is not limited to, contributions by local governmental units, or by local or regional agencies, public or private. Contributions may include, but are not limited to: land, buildings, infrastructure, cash, TIF proceeds, tax abatement, value received from enterprise zone site remediation (Brownfield), private contributions, loans at substantially below-market interest rates or with favorable features such as delayed principal and interest, utility cost reductions, employer-assisted housing programs (EAH), rent or operating deficit guarantees, the value of a charitable property tax exemption for nonprofits, a below-market loan or grant from the Federal Home Loan Bank through a member bank, infrastructure improvements and equity contribution by a developer/ownership entity from the project location (a deferred development fee contributed by a developer from the location where a project will be built does not qualify as Local Match), an equity contribution by a tax-exempt

developer/ownership entity from the project location, the value of an in-kind contribution by a tax-exempt organization, tax-exempt bond financing from a local political subdivision and property acquired at below appraised value from a local political subdivision. HUD HOME funds are not considered a Local Match. HUD CDBG funds may be considered Local Match if such funds were not previously committed for housing. For example, the governing body (city or county) must determine and substantiate that they have control over these moneys and are giving these moneys to the LHTF to be spent for housing. These moneys will then be considered as local match OR if the applicant can demonstrate that they have new money from CDBG, etc, for housing (this could be demonstrated by comparing the previous year's budget with the present fiscal budget) then these moneys will be considered as local match. IFA will consider on a case-by-case basis. Housing dollars already committed to a specific program or project will not count as Local Match (i.e. local or State HOME, CDBG, etc).

Low-Income People: an individual or family with incomes, adjusted by family size, of not more than 80 percent of the greater of (1) county or (2) statewide (as applicable) median income limit as published annually by the U.S. Department of Housing and Urban Development.

Newly Formed Local Housing Trust Fund: a certified and approved Local Housing Trust Fund not previously funded with State Housing Trust Fund moneys.

1.7 Funding Cycle/Application Submittal. Information regarding the funding cycle, schedule, and where applications are to be submitted have been posted on the IFA Web site at www.IowaFinanceAuthority.gov.

1.8 Compliance. Each entity receiving moneys from the Fund shall be required to submit a compliance report with any attachments. The reporting periods are January 1 through June 30, and July 1 through December 30. The reports are to be submitted to the IFA office no later than 15 calendar days after the end of the reporting period. The reporting format will be posted on the IFA Web site. Previous SHTF grantees must be current with all compliance reporting at the time of the current application to be eligible for a 2008 SHTF grant award.

1.9 Grant Period and Timely Use of Awarded Funds.

1.9.1 The grantee will have two years in which to expend all funds received from the Fund in accordance with the grant agreement.

1.9.2 Grantees must be in compliance with section 1.9.1 above to be eligible for subsequent awards from the Fund. Extensions may be requested by the recipient, subject to review by IFA. IFA will consider the capacity of the grantee to complete the project during the extension period in its review of the extension request.

SECTION 2. Local Housing Trust Fund Program

2.1 Performance Goal. The goal is to provide financial assistance to Local Housing Trust Fund applicants.

2.2 Eligible Applicants. Eligible applicants are Local Housing Trust Funds that have met the requirement of section 2.3.

2.3 Approval of Local Housing Trust Fund. The IFA Board will approve Local Housing Trust Fund applicants. Information necessary to establish satisfaction of these requirements must be submitted to IFA. IFA will notify the Local Housing Trust Fund applicant (1) of its approval as to eligibility or (2) as to the reasons the approval was not given. Certification of the Local Housing Trust Fund will be reviewed by IFA prior to IFA's review of the application for funds. After initial certification and thereafter, the Housing Assistance Plan (HAP) must be updated at the time of application for funding. IFA will review the approvals in connection with each application for an award from the Fund. A Local Housing Trust Fund applicant on IFA's approved list may or may not meet the particular program guidelines for an award. IFA will maintain a list of approved Local Housing Trust Funds on its Web site.

A Local Housing Trust Fund applicant must satisfy all of the requirements listed below in order to be certified as a Local Housing Trust Fund and the following must be submitted to IFA as part of the certification process:

2.3.1 Organizational Documents: Such as, Articles of Incorporation, Bylaws, Resolutions, Operating Agreement, Partnership Agreement, IRS 501(c)(3) letter, and a current listing of all members of the Board of Directors, including name, address, beginning and ending dates of term and whether they are affiliated with local government and in what capacity or if they are public officials.

2.3.2 The mission statement of the LHTF must state that its primary purpose concerns affordable housing.

2.3.3. The organizational documents must require regularly scheduled meetings at which minutes of meetings, etc. are kept.

2.3.4 The LHTF must hold at least one public hearing a year in order to solicit comments from the public as to their annual plan/budget, the IFA application to be submitted, the project or projects that will be financed with funds and how such funds should be allocated.

2.3.5 Meetings must comply with Open Meetings Law and Open Records Act. Please refer to Iowa Code, Chapters 21 and 22 respectively for more information.

2.3.6 The LHTF must have a local governing board recognized by the county, council of government, incorporated cities, or regional officials as the board responsible for coordinating local housing programs. A Resolution and/or Ordinance from each county and incorporated city that will be participating in the LHTF will be required. As part of the certification process, IFA may ask for letters of support, Resolutions and/or Ordinances from other cities within the region as evidence of collaboration and the ability to partner. Local Housing Trust Funds approved prior to the effective date of the 2008 Allocation Plan will comply with the Allocation Plan in effect at the time they were certified by the IFA Board.

2.3.7 The LHTF must demonstrate that it possesses sufficient administrative capacity in regard to housing programs and the experience necessary to successfully plan and execute the proposed activities in a timely manner.

2.3.8 The LHTF applicant must have the following in place prior to certification by IFA:

2.3.8.1 Local governing board comprised of no more than 50 percent of individuals from local government/public officials. Local government/public officials who themselves are also employed in the private sector are to be considered as members representing local government (the public sector) and are not to be considered as representing the private sector.

2.3.8.2 Housing Assistance Plan (HAP) approved by IFA. HAPs must contain, at a minimum, a narrative sufficiently addressing the following bullets:

- The HAP should be in the applicant's own words and the document should be no more than ten pages. A listing (bibliography) of the data sources from which the information was gathered should be included in the document;
- The HAP must be comprehensive and identify gaps in housing needs;
- Define the entire geographic area the applicant serves;
- Address the need for the proposed activities;
- Address to which activities priority and/or preference will be given;
- Address the sources, groups and organizations the applicant will be collaborating with in order to fulfill the proposed activities;
- Address the economic, social and health related benefits your city/community can anticipate as a result of the Local Housing Trust Fund and the HAP;
- Applicants must address their program guidelines, which at a minimum include:
 - Types of projects in which the fund will invest – rental, new construction, first-time homebuyer
 - Types of investments the fund will make (loans, grants, etc.)

- Required terms and conditions of the investment, including types of security, regulatory agreements/periods of affordability
- Funding limits per unit or per project
- Income limits and/or targeting goals
- Developer/owner eligibility requirements
- Underwriting requirements
- Borrower or project match/leverage requirements
- Address the fundraising activities your organization has conducted over the last year;
- Address your efforts to raise additional funds over and above the funds normally received by your housing trust fund. (Note: applicant could address this issue by pointing out the new/additional sources of funding obtained since the prior fiscal year's budget);
- Address the housing needs of the Extremely Low-Income People it serves and outline the measures it (or other sources, groups or organizations) will take to serve individuals or families with incomes, adjusted by family size, of not more than 30 percent of the greater of (1) the county or (2) statewide (as applicable) median income limit as published annually by IFA for the SHTF;
- Address the continuum of housing needs which are: (1) homelessness (2) transitional housing (3) rental and (4) homeownership. (Note: information derived from the HUD-approved Consolidated Plans may be included in this narrative);
- If applicable, the HAP should address the following issues:
 - the housing needs of inner city neighborhoods
 - areas with stagnant or declining housing markets
 - underserved areas or populations

2.3.8.3 If the LHTF is part of another organization, the Trust Fund Board must be separate and distinct from the organization and make all final funding decisions.

2.3.9 The LHTF must be an active, vital organization.

2.3.10 The LHTF must be community-based and should be the distributor of funds to other organizations.

2.3.11 The LHTF should have a Board which is community-based, with members from the private sector (e.g., bankers, realtors, etc.).

2.3.12 The LHTF must be a broad-based committee (separate from a Local Governing Body) which makes funding decisions.

2.3.13 A county is eligible to apply as a LHTF regardless of the population of the county.

2.3.14 If a city applies as the LHTF, the geographic area served must be a population of at least 10,000.

SECTION 3. APPLICATION AND AWARDS

3.1 Program Guidelines.

3.1.1 The applicant must submit any changes, updates or revisions to the organizational structure which have been made since the applicant was approved as a Local Housing Trust Fund of which IFA has not been previously notified of the change in a prior application. Such changes, updates or revisions include, but are not limited to, any changes in board members or their representation as a government/public official, and to the HAP.

3.1.2 The applicant must demonstrate sufficient administrative capacity and the experience necessary to successfully plan and execute the proposed activities in a timely manner.

3.1.3 The applicant must have a Local Match, as described in Section 3.3.1. Also see the definition of Local Match in Section 1.6, Definitions.

3.1.4 The applicant must demonstrate collaboration and/or networking with and support from the local entities (including, but not limited to, local government, non-profit, neighborhood organizations, for-profit housing organizations and other local service organizations or businesses) with respect to the proposed activities. This will be in the form of a resolution and/or letters of support.

3.1.5 The applicant must demonstrate a need for the proposed activities.

3.1.6 Applications must be on behalf of affordable housing for Low-Income People.

3.1.7 Moneys from the Fund may be used for on-going administration of the Local Housing Trust Fund applicant, not to exceed ten percent of the total award under this Allocation Plan. A newly formed LHTF may use up to twenty-five percent of the moneys from the Fund for administration during the first two years of operations. The administrative funds can be used by the LHTF during the contract period.

3.1.8 Applicants must define the geographical area they are intending to serve.

3.1.9 Thirty percent (30 percent) of the Local Housing Trust Fund Program moneys must be targeted to serve Extremely Low-Income People. This

requirement could be met through assistance to homeless or domestic violence shelter(s), transitional housing projects, housing for persons with disabilities, etc.

3.2 Awards.

3.2.1 If the jurisdiction covered by an applicant exceeds a population of 50,000, the applicant may apply for up to \$200,000 from the Local Housing Trust Fund Program.

3.2.2 If the jurisdiction covered by an applicant has a population of less than 50,000, the applicant may apply for a maximum of \$100,000.

3.2.3 In the event the aggregate amount of the awards for which all applicants are eligible, based in part, on their respective local matches, exceeds the amount of funds allocated to the Local Housing Trust Fund Program, the amount of the award to each applicant shall be calculated by multiplying the amount for which applicant is eligible by a fraction, the numerator of which shall be the total amount of funds allocated to the Local Housing Trust Fund Program and the denominator of which shall be the aggregate amount of the awards for which all applicants are eligible.

3.2.4 All award amounts for the Local Housing Trust Fund Program must be approved by the IFA board. Notwithstanding the foregoing, the IFA board may increase or decrease the award amount to an applicant if the board determines that doing so would be in the best interest of the development or preservation of affordable housing for Low-Income People in the state.

3.3 Local Match.

3.3.1 The minimum Local Match is 25 percent of the total amount requested from the Fund.

3.3.2 No more than 25 percent of the total proposed Local Match may be administrative and technical assistance cost or fees (in-kind or paid from an outside source) from the applicant's current or proposed budget.

3.3.3 Local Match must include local government and/or local private sector contributions.

3.4 Eligible Uses.

3.4.1 The Fund must benefit Low-Income People.

3.4.2 Awards may be used for housing, infrastructure, transitional, homeless, homeownership (production or rehabilitation), rental (affordable), and capacity building or other purposes that further goals of the Fund.

3.4.3 Administrative Fees are acceptable. The amount shall not exceed twenty-five percent of the total award, if used as seed money or startup funds for the first two years of a newly formed LHTF. For LHTFs in existence for more than two years, the amount allowed for administrative fees is ten percent. The administrative funds can be used by the LHTF during the contract period.

3.5 Threshold Requirements.

3.5.1 In addition to the requirements specified in Section 3.1, the applicant must also provide the following to be eligible for an award.

3.5.2 Applicants must complete the application in its entirety including all exhibits.

3.5.3 Applicants must provide the following in a narrative document:

- Need for housing in the community
- Impact of activity
- Financial and overall feasibility of activity
- Leveraging and partners in activity
- Administrative capacity of eligible applicant
- Timeline of fund activity

3.6 Notification of Award. IFA will notify the applicant in writing (1) of its approval as to eligibility and amount or (2) as to the reasons the approval was not given.

3.7 Appeals. An applicant whose application has been timely filed and whose application did not receive an award may appeal the decision by filing a written notice of appeal within seven days of the award with the Iowa Finance Authority, 2015 Grand Avenue, Des Moines, Iowa 50309.

3.8 Hearing. Upon receipt of notice of an applicant appeal, IFA may contact the Department of Inspections and Appeals to arrange for a hearing. A written notice of the date, time and location of the appeal hearing will be sent to the parties to the appeal. IFA shall select a presiding officer and hold a hearing on the appeal, in conformance with its rules on appeals, within 30 days of the date IFA receives the notice of appeal.

3.9 Judicial Review. Judicial review of IFA's final decisions may be sought in accordance with Iowa Code Section 17A.19.